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STATE FOR AF/EPS, EB/TPP/BTA AND AF/W

E.O. 12958: N/A

TAGS: ETRD PU

SUBJECT: GUINEA-BISSAU AGOA - INPUT FOR 2008 PRESIDENT'S REPORT

REF: STATE 020082

¶1. Embassy input on Guinea-Bissau follows for the 2008 President's report on AGOA keyed to the template outlined in reftel and last year's report as published by USTR. This text will also be provided to AF/W and AF/EPS via e-mail.

¶2. Begin Post's input:

AGOA Trade and Investment: Guinea-Bissau did not export any products under AGOA and its GSP provisions in 2007.

Market Economy/Economic Reform/Elimination of Trade Barriers: The government supports the continued transition to a market economy. It no longer dominates the commercial sector and has abolished state marketing boards, privatized some companies, and ended price controls. Restrictions on foreign operators in the cashew production sector were lifted in 2004, although further deregulation is needed for cashew exports.

Political Pluralism/Rule of Law/Anti-Corruption: Guinea-Bissau is a multi-party state and the government, led by Prime Minister Cabi, is a coalition of three parties. The national court system continued to function, albeit with serious resource constraints. The constitution and law provide for an independent judiciary, but there is little independence and some judges have been accused of corrupt acts. Corruption is pervasive, especially related to narcotics trafficking.

Poverty Reduction: Guinea-Bissau ranks 175 out of 177 countries in the United Nations Global Development Index. More than two-thirds of the population lives below the poverty line. The World Bank estimates Gross National Income per capita at \$185. A Poverty Reduction Strategy Paper has been circulated to donors but has not yet received funding support. The government succeeded in early 2008 in qualifying for post-conflict assistance from the International Monetary Fund. Guinea-Bissau was also selected to receive developmental and structural reform assistance from the United Nations Peacebuilding Commission.

Labor/Child Labor/Human Rights: The constitution grants all civilian workers the right to form and join trade unions. The law provides for the right to strike and protection against retribution for engaging in lawful union activity. The law does not provide for or protect the right to collective bargaining, although consultations on wages between unions and employers did occur through a government-sponsored council. The law prohibits forced or compulsory labor, but there were reports of these practices, as well as trafficking in persons. Guinea-Bissau has ratified five of the eight core ILO Conventions, but not Convention 87 on freedom of association and the right to organize, Convention 138 on minimum age, or Convention 182 on the worst forms of child labor. Child trafficking and child labor, including some forced labor, remained problems. There are no specific laws that protect children from exploitation in the workplace. The government developed a Strategic Document for the Reduction of Poverty that includes the elimination of the worst forms of child labor as a key objective. The

government generally respected the human rights of its citizens; however, problems remained in some areas, including arbitrary arrest and detention and restrictions on freedom of speech.

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